COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTH HOPKINS)
WATER DISTRICT FOR A PURCHASED) CASE NO. 2004-00502
WATER ADJUSTMENT)

ORDER

On December 13, 2004, North Hopkins Water District ("North Hopkins") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

- North Hopkins purchases water from the city of Madisonville ("Madisonville").
- 2. Madisonville notified North Hopkins that, effective with the January 1, 2005 billing, Madisonville's wholesale water rate to North Hopkins would increase from \$1.82 per 1,000 gallons to \$2.19 per 1,000 gallons.
- 3. On December 3, 2004, Madisonville notified the Commission that, effective for service rendered on and after January 2, 2005, its wholesale water service rate to North Hopkins would increase from \$1.82 to \$2.19 per 1,000 gallons. Pursuant to KRS 278.180 and 278.190, this proposed rate became effective on January 2, 2005.

4. During the 12 months ending September 2004, North Hopkins purchased 68,756,000 gallons from Madisonville. The increase in the cost of purchased water is \$25,440, resulting in a purchased water adjustment factor of \$0.41 per 1,000 gallons.

5. The purchased water adjustment of \$0.41 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. North Hopkins' proposed rates are approved.

2. The purchased water adjustment of \$0.41 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for water service rendered on and after January 10, 2005.

3. The proposed tariff sheets filed by North Hopkins are accepted as filed.

Done at Frankfort, Kentucky, this 12th day of January, 2005.

By the Commission

ATTEST:

Executive Director

Case No. 2004-00502

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00502 DATED January 12, 2005.

The following rates and charges are prescribed for the customers in the area served by North Hopkins Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 x 3/4 Inch Meter					
<u> </u>	First	2,000	gallons	\$ 20.08	Minimum bill
	Next	2,000	gallons	9.74	per 1,000 gallons
	Next	3,000	gallons	7.39	per 1,000 gallons
	Next	3,000	gallons	6.24	per 1,000 gallons
	Over	10,000	gallons	4.44	per 1,000 gallons
<u>3/4" Meter</u>					
	First	3,000	gallons	\$29.82	Minimum bill
	Next	1,000	gallons	9.74	per 1,000 gallons
	Next	3,000	gallons	7.39	per 1,000 gallons
	Next	3,000	gallons	6.24	per 1,000 gallons
	Over	10,000	gallons	4.44	per 1,000 gallons
1" Meter					
	First	5,000	gallons	\$46.95	Minimum bill
	Next	2,000	gallons	7.39	per 1,000 gallons
	Next	3,000	gallons	6.24	per 1,000 gallons
	Over	10,000	gallons	4.44	per 1,000 gallons
<u>1-1/2" Meter</u>					
	First	10,000	gallons	\$80.45	Minimum bill
	Over	10,000	gallons	4.44	per 1,000 gallons
2" Meter					
	First	15,000	gallons	\$ 102.65	Minimum bill
	Over	20,000	gallons	4.44	per 1,000 gallons